

Financial Results for the Second Quarter Ended April 30, 2012 [Japan GAAP] (Consolidated)

Date: June 4, 2012
 Company Name and Code: Tomoe Engineering Co., Ltd. and Subsidiaries - 6309
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 Date to report Consolidated Quarterly Financial Statement: June 12, 2012
 Date for Dividend Payment: Not applicable to financial quarters.
 Preparation of Supplementary Explanatory Materials for Quarterly Operating Results: Yes
 Briefing Session for Quarterly Operating Results: Yes (for institutional investors)

* Any fractional sums less than one million (or one thousand) yen are disregarded.

1. Consolidated Financial Data for the Second Quarter Ended April 30, 2012

(1) Results of Operation (Consolidated) (Percent: Change from the same quarter of the previous year)

	Net Sales		Operating Income		Ordinary Income	
	Millions of Yen	Percent	Millions of Yen	Percent	Millions of Yen	Percent
Quarter Ended April 30, 2012	21,156	(4.2)	1,420	(15.7)	1,510	(15.9)
Quarter Ended April 30, 2011	22,080	12.8	1,685	2.3	1,796	2.4

	Net Income		Net Income per Share	Fully Diluted Quarterly Net Income per Share
	Millions of Yen	Percent	Yen	Yen
Quarter Ended April 30, 2012	1,014	(4.3)	101. ⁶⁶	-
Quarter Ended April 30, 2011	1,059	(7.0)	106. ²¹	-

(Note) Comprehensive income

Second Quarter ended April 30, 2012: 1,144 million yen (0.3%) Second Quarter ended April 30, 2011: 1,140 million yen (-%)

(2) Financial Condition (Consolidated)

	Total Assets (A) (Millions of Yen)	Net Assets (B) (Millions of Yen)	Net Assets Ratio (B) / (A) (Percent)
Quarter Ended April 30, 2012	33,513	22,106	65.2
Year Ended October 31, 2011	32,702	21,329	64.5

(Reference) Net assets

Second Quarter ended April 30, 2012: 21,834 million yen Year Ended October 31, 2011: 21,090 million yen

2. Dividend Status

(Record Date)	Annual Dividend (Yen)				
	First Quarter	Interim Term	Third Quarter	End of Fiscal Year	Annual
Year Ended October 31, 2011	-	0.00	-	40. ⁰⁰	40. ⁰⁰
Year Ending October 31, 2012	-	0.00	-	40. ⁰⁰	40. ⁰⁰
Year Ending October 31, 2012 (Prospect)	-	0.00	-	40. ⁰⁰	40. ⁰⁰

(Note) Revisions since the most recently released dividend projection: None

3. Forecast for Earnings for the Year Ending October 31, 2012 (Consolidated)

(Percent: Change from the previous year for the full business year)

	Net Sales		Operating Income		Ordinary Income	
	(Millions of Yen)	(Percent)	(Millions of Yen)	(Percent)	(Millions of Yen)	(Percent)
Full Business Year	42,900	1.2	2,500	3.3	2,590	(0.2)

	Net Income		Net Income per Share
	(Millions of Yen)	(Percent)	Yen
Full Business Year	1,630	(44.1)	163. ³⁵

(Note) Revisions since the most recently released dividend projection: None

4. Others

(1) Significant changes in subsidiaries during this quarter (Changes in specific subsidiaries in conjunction with a change in the scope of consolidation): None

Number of new subsidiaries: __ (Company names):

Number of eliminated subsidiaries: __ (Company names):

(2) Adoption of simplified accounting method and the specific accounting method: None

(3) Changes of the principles, procedures, and representation of the accounting policies

1) Change due to revision of accounting standard: None

2) Other changes than the above 1): None

3) Change in accounting estimates: None

4) Retrospective restatements: None

(4) Number of outstanding shares (Ordinary shares)

1) Number of outstanding shares as of quarter-end and year-end (including treasury stocks)

At April 30, 2012: 10,533,200 shares At October 31, 2011: 10,533,200 shares

2) Number of treasury stocks as of quarter-end and year-end

At April 30, 2012: 554,547 shares At October 31, 2011: 554,501 shares

3) Number of average shares (accumulated quarterly total)

At April 30, 2012: 9,978,684 shares At April 30, 2011: 9,978,751 shares

*Disclosure concerning status of implementation of quarterly review procedure

This quarterly earnings report is exempt from the quarterly review procedure based on the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly earnings report, the Company has not completed a quarterly review procedure based on the Financial Instruments and Exchange Act.

*Explanations for appropriate use of the earnings forecast and other special instructions

The forward-looking statements such as a forecast of our financial results described herein are based on the information currently available to us and certain assumptions that we believe are reasonable. Actual results could differ materially due to various factors. Please refer to the Financial Results for the Quarter (Attachments) on Page 4, "1. Qualitative Information on Quarterly Consolidated Operating Results (3) Qualitative Information on Consolidated Earnings Forecast" for the operating results forecast and matters to note when using forward-looking statements.

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1. Qualitative Information on Quarterly Consolidated Operating Results

(1) Qualitative Information on Consolidated Operating Results

[General operating results]

During the interim period under review, Japan's economy entered circumstances of sustained activity leading toward a general economic recovery. The pickup trend in production levels was maintained, driven by factors such as a recovery in transportation machinery and related industries and the gradual expansion of restoration demand following the Great East Japan Earthquake, and even consumer confidence, although still restrained, took plodding steps in the direction of a more positive outlook.

Given such circumstances, interim period consolidated net sales for the Tomoe Engineering Group dipped 4.2% from the same period one year earlier to 21,156 million yen. This reflected a decline in sales of equipment, components and works for domestic public sector demand and lower sales of equipment and systems for China in the Machinery & Equipment Business, as well as decreased sales volume in the domestic electronics materials and industrial materials sectors in the Chemical Products Business. In terms of earnings for the period, the Group's consolidated operating income was 1,420 million yen, 15.7% down from the same period one year earlier, as the declines in sales in the Machinery & Equipment Business became a factor pushing down earnings, and the Group reported a loss in the Chemical Products Business for the resin plastic compounding business in Shenzhen, China. Ordinary income reflected a reactionary drop from a gain on valuation of derivatives in the prior year related to the Chemical Products Business, falling to 1,510 million yen, 15.9% down from the same period last year. Furthermore, because the effective tax rates for the corporation tax and other taxes were reduced by the tax reforms enacted in December 2011, the adjustment for corporate and other taxes was lowered by 120 million yen as the result of a revaluation of deferred tax assets and liabilities, and this was a factor lifting second quarter year-to-date consolidated net income by the same amount. As a result of all of the above factors, net income for the interim period was 1,014 million yen, 4.3% down from the same period of the prior year.

[Operating results by segment]

(Machinery & Equipment Business)

In the Machinery & Equipment Business, consolidated net sales for the interim period were 6,337 million yen, 11.0% down from the same period last year. Sales of centrifuge equipment for oil well drilling in North America and overseas sales of components were higher, but sales of equipment, components and works for domestic public sector demand and sales of equipment and systems for China were both off sharply. Among such factors pushing net sales lower, the impact of the slump in devices and systems sales to meet domestic public sector demand was significant, with the bulk of the drop being a reactionary decline from the sale in the same period one year ago of devices and systems for a large-scale sewage treatment facility reconstruction project. Moreover, the principal cause of the decrease in sales to China were the continuing slump in sales of centrifuge equipment for vinyl chloride plants and of abrasive grain slurry recycling equipment for use in manufacturing photovoltaic cells. The gross profit margin overall was basically unchanged from the prior year, as the drop in domestic public sector demand was offset by the improvement in overseas consumption. Because of the above factors, however, consolidated operating income for this business was 753 million yen, 21.4% down from the same period of the previous fiscal year.

(Chemical Products Business)

In the Chemical Products Business, consolidated net sales were 14,819 million yen, 1.0% down year-on-year. While the high performance resins and molding machines sales business in Hong Kong showed growth, domestic sales of consumables for use in semiconductor manufacturing and related equipment plunged in the electronics materials sector. Domestically, weakness in the sales of additives for use in construction materials and glass in the industrial materials sector was also a factor putting downward pressure on net sales in this business. From an earnings perspective, earnings from domestic operations were roughly identical to the same period of the prior year because of the improved gross profit margins in the chemical products and advanced materials sectors, but for the Group as a whole, operating income was affected by lower earnings from the compounding business in Shenzhen, China, particularly for commodity plastics, and totaled 666 million yen, 8.2% down from the corresponding period of the previous year.

(2) Qualitative Information on Consolidated Financial Position:

[Assets, Liabilities, and Net Assets]

Total assets at the end of the interim consolidated period under review were 33,513 million yen, 810 million yen or 2.5% up from the balance of the end at the previous consolidated fiscal year on October 31, 2011. Although inventories were lower, particularly product inventories in the Chemical Products Business and work in process in the Machinery & Equipment Business, and deferred tax assets also decreased because of payments for bonuses and other items, there was a significant increase in notes and accounts receivable-trade that reflected the fact the end of the period was a financial institution holiday, among other factors, and current assets increased as a result.

On the other hand, total liabilities were 11,406 million yen, up 33 million yen or 0.3% compared with the end of the previous consolidated fiscal year. Noncurrent liabilities fell based on a reduction of deferred tax liabilities that originated in amendment of the corporate tax system, while current liabilities rose because of higher notes and accounts payable-trade that were based on end-of-period factors and an increase in the advances related to the Machinery & Equipment Business.

Moreover, net assets after dividend payments of 399 million yen totaled 22,106 million yen, up 777 million yen or 3.6% from the end of the previous consolidated fiscal year. This reflected the interim period net income of 1,014 million yen, as well as slightly higher earnings for other items such as year-to-date other comprehensive income.

Because the rate of growth in net assets exceeded the rate of growth in liabilities as indicated above, the equity ratio at the end of the consolidated second quarter under review rose by 0.7 points compared with the end of the previous consolidated fiscal year to 65.2%.

[Cash Flow Status]

Cash and cash equivalents as of the end of the consolidated second quarter under review decreased by 2,834 million yen to 4,461 million yen from the end of the previous consolidated fiscal year. The status of each consolidated cash flow and their factors during the second quarter are as follows:

(Net Cash Provided by (Used in) Operating Activities)

Net cash provided by operating activities was 719 million yen. Notes and accounts receivable-trade rose by 874 million yen, income taxes paid were 546 million yen and income before income taxes and minority interests was 1,529 million yen, while inventories fell by 399 million yen and advances received increased by 353 million yen.

(Net Cash Provided by (Used in) Investing Activities)

Net cash used in investing activities was 3,328 million yen. This mainly reflected net purchases of time deposits of 3,100 million yen, and purchases of property, plant and equipment and intangible fixed assets of 235 million yen.

(Net Cash Provided by (Used in) Financing Activities)

Net cash used in financing activities was 291 million yen despite a net increase in short-term loans payable, as 399 million yen was used for cash dividends paid.

(3) Qualitative Information on Consolidated Earnings Forecast:

Because it projects consolidated full-year net sales and earnings will fall below its initial forecast, the Tomoe Engineering Group has revised downward its projected full-year operating results for the fiscal year ending in October 2012 as announced in the "Notice Concerning Revision of Projected Operating Results" (in Japanese only) released on May 29, 2012.

This revision reflects that fact that while consolidated full-year net sales in the Machinery & Equipment Business are projected to be roughly in line with the Company's initial projection, net sales for the Chemical Products Business are expected to fall below the initial forecast against the backdrop of lackluster new domestic commercial distribution developments and a slump in the plastic compounding business in Shenzhen, China, and both the net sales and net income of the entire Tomoe Engineering Group are therefore forecast to fall below the levels in the initial forecast.

Compared with the initial forecast released on December 12, 2011, projected full-year consolidated net sales for the fiscal year ending October 31, 2012 have been reduced by 3.1 billion yen or 6.7%, operating income has been reduced by 160 million yen or 6.0% and ordinary income has been reduced by 100 million yen or 3.7%. The outlook for net income has been lowered by 30 million yen or 1.8%.

The operating results forecasts described above are based on information available to the Company at the time the forecasts were prepared and assumptions judged to be reasonable. Actual operating results might differ from these forecasts depending upon changes in the domestic and international economic trends, the balance of supply and demand and various other circumstances.

2. Matters Concerning Summary Information (Other)

(1) Changes to material subsidiaries during the quarterly consolidated period under review: None

(2) Application of special accounting method in the preparation of quarterly consolidated financial statements: None.

(3) Changes in accounting principles, changes in accounting estimates and retrospective restatements: None

(4) Supplemental information

(Application of the *Accounting Standard for Accounting Changes and Error Corrections*)

Beginning with accounting changes and corrections of past reporting errors that are made after the beginning of the first quarter of the current consolidated fiscal year, the Company has adopted the *Accounting Standard for Accounting Changes and Error Corrections* (Accounting Standards Board of Japan Statement No. 24) and the *Guidance on Accounting Standard for Accounting Changes and Error Corrections* (Accounting Standards Board of Japan Guidance No. 24).

3. Consolidated Financial Statement

(1) Consolidated Quarterly Balance Sheets (Second Quarter)

(Thousands of Yen)

Assets	End of Previous Year (October 31, 2011)	End of Second Quarter (April 30, 2012)
Current Assets		
Cash and Deposits	7,296,554	7,561,878
Notes and Accounts Receivable-Trade	12,478,424	13,526,811
Merchandise and Finished Goods	3,506,696	3,150,612
Work in Process	1,029,443	918,181
Raw Materials and Supplies	630,324	801,511
Deferred Tax Assets	634,782	445,873
Others	236,706	163,627
Allowance for Doubtful Accounts	(21,322)	(11,292)
Total Current Assets	25,791,609	26,557,203
Noncurrent Assets		
Property, Plant and Equipment		
Buildings and Structures	2,328,168	2,335,472
Accumulated Depreciation	(1,344,589)	(1,383,178)
Buildings and Structures, Net	983,579	952,293
Machinery, Equipment and Vehicles	3,395,764	3,489,137
Accumulated Depreciation	(2,662,256)	(2,755,717)
Machinery, Equipment and Vehicles, Net	733,508	733,420
Land	922,024	922,024
Lease Assets	71,702	62,234
Accumulated Depreciation	(52,851)	(51,027)
Lease Assets, Net	18,850	11,207
Construction in progress	2,545,240	2,608,138
Others	990,168	1,009,476
Accumulated Depreciation	(924,338)	(949,404)
Others, Net	65,830	60,071
Total Property, Plant and Equipment	5,269,032	5,287,155
Intangible Assets	65,585	108,287
Investments and Other Assets		
Investment Securities	665,846	676,830
Guarantee Deposits	364,657	359,312
Deferred Tax Assets	33,143	29,216
Others	591,086	543,236
Allowance for Doubtful Accounts	(78,405)	(48,218)
Total Investments and Other Assets	1,576,328	1,560,377
Total Noncurrent Assets	6,910,947	6,955,820
Total Assets	32,702,557	33,513,024

(Thousands of Yen)

Liabilities and Net Assets	End of Previous Year (October 31, 2011)	End of Second Quarter (April 30, 2012)
Liabilities		
Current Liabilities		
Notes and Accounts Payable-Trade	6,485,604	6,772,410
Short-Term Loans Payable	534,045	656,022
Lease Obligations	14,556	10,850
Accounts Payable-Others	577,728	549,205
Income Taxes Payable	555,402	474,293
Advances Received	461,243	821,494
Provision for Bonuses	1,084,618	790,404
Provision for Directors' Bonuses	61,776	36,743
Allowance for Product Warranty	281,546	96,506
Others	270,113	282,151
Total Current Liabilities	10,326,636	10,490,084
Noncurrent Liabilities		
Lease Obligations	7,992	3,088
Provision for Retirement Benefits	36,745	40,999
Provision for Directors' Retirement Benefits	31,760	29,600
Deferred Tax Liabilities	969,595	842,357
Total Noncurrent Liabilities	1,046,093	916,044
Total Liabilities	11,372,730	11,406,128
Net Assets		
Shareholders' Equity		
Capital Stock	1,061,210	1,061,210
Capital Surplus	1,483,410	1,483,410
Retained Earnings	19,179,264	19,794,516
Treasury Stock	(363,319)	(363,393)
Total Shareholders' Equity	21,360,564	21,975,742
Valuation and Translation Adjustments		
Valuation Difference on Available-for-Sale Securities	51,626	63,379
Deferred Gains or Losses on Hedges	230	(1,487)
Foreign Currency Translation Adjustment	(321,821)	(203,533)
Total Valuation and Translation Adjustments	(269,965)	(141,642)
Minority Interests		
	239,227	272,796
Total Net Assets	21,329,827	22,106,895
Total Liabilities and Net Assets	32,702,557	33,513,024

(2) Consolidated Quarterly Statements of Income & Consolidated Quarterly Statements of Comprehensive Income

Consolidated Quarterly Statements of Income (Second Quarter)

(Thousands of Yen)

	Second Quarter Ended April 30, 2011	Second Quarter Ended April 30, 2012
Net Sales	22,080,437	21,156,546
Cost of Sales	17,283,023	16,625,647
Gross Profit	4,797,413	4,530,898
Selling, General and Administrative Expenses	3,111,681	3,110,407
Operating Income	1,685,732	1,420,490
Non-Operating Income		
Interest income	5,477	7,477
Dividends Income	7,292	6,723
Rent Income	6,177	5,964
Foreign Exchange Gains	9,038	53,699
Gain on Valuation of Derivatives	73,959	-
Others	28,745	35,781
Total Non-Operating Income	130,690	109,646
Non-Operating Expenses		
Interest Expenses	3,814	4,742
Loss on Sales of Notes Payable	35	35
Commission Paid	8,463	7,995
Others	7,743	7,075
Total Non-Operating Expenses	20,056	19,849
Ordinary Income	1,796,366	1,510,288
Extraordinary Income		
Gain on Sales of Noncurrent Assets	-	10,960
Gain on Sales of Investment Securities	12,590	6,141
Gain on Change in Equity Interest	-	6,780
Reversal of Allowance for Doubtful Accounts	19,650	-
Total Extraordinary Income	32,241	23,881
Extraordinary Losses		
Loss on Retirement of Noncurrent Assets	-	5,075
Loss on Valuation of Investments Securities	714	-
Provision of Allowance for Doubtful Accounts	1,300	-
Affect from application of the Accounting Standard for Asset Retirement Obligations	32,685	-
Total Extraordinary Losses	34,699	5,075
Income before Income Taxes and Minority Interests	1,793,908	1,529,095
Income Taxes-Current	596,159	465,418
Income Taxes-Deferred	133,009	69,665
Total Income Taxes	729,168	535,084
Income before minority interests	1,064,739	994,010
Minority interests in income or loss (-)	4,881	(20,388)
Net Income (Loss)	1,059,858	1,014,399

Consolidated Quarterly Statements of Income (Second Quarter)

(Thousands of Yen)

	Second Quarter Ended April 30, 2011	Second Quarter Ended April 30, 2012
Income before minority interests	1,064,739	994,010
Other comprehensive income		
Valuation difference on available-for-sale securities	38,545	11,752
Deferred Gains or Losses on Hedges	7,183	(1,717)
Foreign Currency Translation Adjustment	29,932	140,131
Total other comprehensive income	75,661	150,165
Comprehensive income	1,140,401	1,144,176
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,126,681	1,142,721
Comprehensive income attributable to minority interests	13,720	1,455

(3) Consolidated Quarterly Statements of Cash Flows

(Thousands of Yen)

	Second Quarter Ended April 30, 2011	Second Quarter Ended April 30, 2012
Net Cash Provided by (Used in) Operating Activities		
Income before Income Taxes and Minority Interests	1,793,908	1,529,095
Depreciation and Amortization	192,294	171,101
Increase (Decrease) in Provision for Bonuses	(394,938)	(296,095)
Increase (Decrease) in Provision for Directors' Bonuses	(54,856)	(25,032)
Increase (Decrease) in Allowance for Product Warranty	182,582	(185,039)
Increase (Decrease) in Provision for Retirement Benefits	5,000	4,033
Increase (Decrease) in Provision for Directors' Retirement Benefits	(111,000)	(2,160)
Increase (Decrease) in Allowance for Doubtful Accounts	(19,125)	(40,216)
Loss (Gain) on Valuation of Investment Securities	714	-
Interest and Dividends Income	(12,769)	(14,201)
Interest Expenses	3,814	4,742
Foreign Exchange Losses (Gains)	(4,976)	(4,455)
Loss (Gain) on Sales of Investment Securities	(12,590)	(6,141)
Loss (Gain) on Change in Equity Interest	-	(6,780)
Loss (Gain) on Sales of Noncurrent Assets	-	(10,960)
Loss (Gain) on Retirement of Noncurrent Assets	-	5,075
Affect from application of the Accounting Standard for Asset	32,685	-
Loss (Gain) on Valuation of Derivatives	(73,959)	-
Decrease (Increase) in Notes and Accounts	(866,823)	(874,757)
Decrease (Increase) in Inventories	(395,853)	399,622
Increase (Decrease) in Notes and Accounts Payable-Trade	444,443	112,337
Increase (Decrease) in Accounts Payable-Others	(42,375)	(10,850)
Increase (Decrease) in Advances Received	6,803	353,724
Increase (Decrease) in Accrued Consumption Taxes	58,813	(3,380)
Others, Net	(95,721)	157,532
Sub total	636,070	1,257,190
Interests and Dividends Income Received	7,889	13,674
Interest Expenses Paid	(3,821)	(4,750)
Income Taxes Paid (-) or Returned	(949,907)	(546,647)
Net Cash Provided by (Used in) Operating Activities	(309,769)	719,466

(Thousands of Yen)

	Second Quarter Ended April 30, 2011	Second Quarter Ended April 30, 2012
Net Cash Provided by (Used in) Investing Activities		
Disbursement to Time Deposits	(2,520,110)	(3,200,000)
Proceeds from Withdrawal of Time Deposits	100,000	100,000
Purchase of Property, Plant and Equipment	(121,568)	(181,029)
Proceeds from Sales of Property, Plant and Equipment	120	3,055
Purchase of Intangible Assets	(2,320)	(54,561)
Purchase of Investment Securities	(6,118)	(8,912)
Proceeds from Sales of Investment Securities	17,824	12,932
Payments of Loans Receivable	(270)	(3,500)
Collection of Loans Receivable	3,583	1,218
Guarantee Deposits (Increase)	12,708	3,654
Others, Net	(1,270)	(1,009)
Net Cash Provided by (Used in) Investment Activities	(2,517,422)	(3,328,152)
Net Cash Provided by (Used in) Financing Activities		
Funds Provided by Payment from Minority Shareholders	-	38,893
Net Increase (Decrease) in Short-Term Loans Payable	-	77,420
Repayments of Lease Obligations	(13,447)	(8,610)
Purchase of Treasury Stock	(98)	(73)
Cash Dividends Paid	(349,257)	(399,147)
Net Cash Provided by (Used in) Financing Activities	(362,803)	(291,518)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(13,300)	65,528
Net Increase (Decrease) in Cash and Cash Equivalents	(3,203,295)	(2,834,676)
Cash and Cash Equivalents at Beginning of Period	6,109,100	7,296,554
Cash and Cash Equivalents at End of Period	2,905,805	4,461,878

(4) Note on Going Concern Assumption

None.

(5) Segment Information, etc.

【Segment Information】

Second Quarter Ended April 30, 2011

Information Pertaining to the Amount of Net sales or Net Loss of Each Reporting Segment

(Thousands of Yen)

	Reported Segment			Grand Total
	Machinery & Equipment Business	Chemical Products Business	Total	
Net Sales				
Net Sales to Unaffiliated Customers	7,116,963	14,963,474	22,080,437	22,080,437
Internal Net Sales among Segments or Amount Transferred	-	-	-	-
Total	7,116,963	14,963,474	22,080,437	22,080,437
Segment Profit	959,310	726,421	1,685,732	1,685,732

(Note) The total amount of segment profit is identical to the operating income reported on the Quarter Statements of Consolidated Income.

Second Quarter Ended April 30, 2012

Information Pertaining to the Amount of Net sales or Net Loss of Each Reporting Segment

(Thousands of Yen)

	Reported Segment			Grand Total
	Machinery & Equipment Business	Chemical Products Business	Total	
Net Sales				
Net Sales to Unaffiliated Customers	6,337,116	14,819,429	21,156,546	21,156,546
Internal Net Sales among Segments or Amount Transferred	-	-	-	-
Total	6,337,116	14,819,429	21,156,546	21,156,546
Segment Profit	753,650	666,840	1,420,490	1,420,490

(Note) The total amount of segment profit is identical to the operating income reported on the Quarter Statements of Consolidated Income.

(6) Notes for Significant Changes in Shareholder's Equity

None

4. Overseas Net Sales (Supplemental Information)

Second Quarter Ended April 30, 2011

(Thousands of Yen)

	Asia	Other Regions	Total
I. Overseas Net Sales	3,483,165	945,668	4,428,833
II. Consolidated Net Sales	-	-	22,080,437
III. Ratio of Overseas Net Sales to Consolidated Net Sales (%)	15.8	4.3	20.1

(Notes)

1. Areas including countries or regions are determined based on their degree of geographical proximity.
2. Main countries or regions included in the areas:
 - (1) Asia: China, Korea, Taiwan and Indonesia
 - (2) Other regions: America and Europe
3. Overseas net sales are sales of our company and subsidiaries made in countries and regions other than Japan.

Second Quarter Ended April 30, 2012

(Thousands of Yen)

	Asia	Other Regions	Total
I. Overseas Net Sales	3,243,574	1,457,690	4,701,264
II. Consolidated Net Sales	-	-	21,156,546
III. Ratio of Overseas Net Sales to Consolidated Net Sales (%)	15.3	6.9	22.2

(Notes)

1. Areas including countries or regions are determined based on their degree of geographical proximity.
2. Main countries or regions included in the areas:
 - (1) Asia: China, Korea, Taiwan and Indonesia
 - (2) Other regions: America and Europe
3. Overseas net sales are sales of our company and subsidiaries made in countries and regions other than Japan.